

Executive Summary – Enforcement Matter – Case No. 60556
Chevron Phillips Chemical Company LP
RN102200482
Docket No. 2021-0411-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Chevron Phillips Clemens Terminal, 2611 County Road 314, Brazoria, Brazoria County

Type of Operation:

Hydrocarbon storage site

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: July 1, 2022

Comments Received: No

Penalty Information

Total Penalty Assessed: \$19,500

Amount Deferred for Expedited Settlement: \$3,900

Total Paid to General Revenue: \$7,800

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project (“SEP”) Conditional Offset: \$7,800

Name of SEP: Texas City Independent School District (Third-Party Pre-Approved)

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - High

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014 and January 2021

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: January 25, 2021 through March 12, 2021 and March 18, 2021 through April 8, 2021

Date(s) of NOE(s): March 12, 2021 and May 7, 2021

Executive Summary – Enforcement Matter – Case No. 60556
Chevron Phillips Chemical Company LP
RN102200482
Docket No. 2021-0411-AIR-E

Violation Information

1. Failed to comply with the annual hours of operation. Specifically, the Respondent exceeded the annual hours of operation of 1,092 hours per year by 3,050 hours for Heater F-3, Emissions Point Number ("EPN") 62-36-3 during calendar year 2018, resulting in 1,843.41 pounds ("lbs") of unauthorized carbon monoxide ("CO") emissions, 1,228.97 lbs of unauthorized nitrogen oxides ("NOx") emissions, 111.72 lbs of unauthorized particulate matter ("PM") emissions, 55.86 lbs of unauthorized sulfur dioxide ("SO₂") emissions, and 55.86 lbs of unauthorized volatile organic compounds ("VOC") emissions [30 TEX. ADMIN. CODE §§ 116.115(c), 116.116(a)(1), and 122.143(4), New Source Review ("NSR") Permit No. 19718, Special Conditions ("SC") No. 1, Federal Operating Permit ("FOP") No. O2710, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 11, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to comply with the annual hours of operation. Specifically, the Respondent exceeded the annual hours of operation of 1,500 hours per year by 234 hours for Heater F-8, EPN 62-36-8 during calendar year 2018, resulting in 180.96 lbs of unauthorized CO emissions, 237.12 lbs of unauthorized NOx emissions, 37.44 lbs of unauthorized PM emissions, 3.12 lbs of unauthorized SO₂ emissions, and 24.96 lbs of unauthorized VOC emissions [30 TEX. ADMIN. CODE §§ 116.115(c), 116.116(a)(1), 122.143(4), NSR Permit No. 19718, SC No. 1, FOP No. O2710, GTC and STC No. 11, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

3. Failed to submit a permit compliance certification ("PCC") within 30 days of any certification period. Specifically, the PCC for the July 1, 2019 through June 30, 2020 certification period was due by July 30, 2020, but was not submitted until June 9, 2021 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), FOP No. O2710, GTC and STC No. 15, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent implemented the following corrective measures:

- a. Submitted the PCC for the July 1, 2019 through June 30, 2020 certification period on June 9, 2021; and
- b. Obtained the amendment for NSR Permit No. 19718 that included the removal of the hourly limits for Heaters F-3 and F-8 on February 11, 2022.

Technical Requirements:

The Order will require the Respondent to implement and complete a SEP (see SEP Attachment A).

Executive Summary – Enforcement Matter – Case No. 60556
Chevron Phillips Chemical Company LP
RN102200482
Docket No. 2021-0411-AIR-E

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Johnnie Wu, Enforcement Division, Enforcement Team 2, MC 219, (512) 239-2524; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565

SEP Third-Party Administrator: Texas City Independent School District, 2901 Turtle Creek Drive, Suite 445, Port Arthur, Texas 77642

Respondent: Dirk Perrin, Plant Manager, Chevron Phillips Chemical Company LP, 21441 Loop 419, Sweeny, Texas 77480

Glenn Heil, Environmental Engineer, Chevron Phillips Chemical Company LP, 21441 Loop 419, Sweeny, Texas 77480

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

| | | | | | | |
|--------------|-----------------|-------------|------------------|-------------|----------------|--|
| DATES | Assigned | 17-Mar-2021 | Screening | 24-Mar-2021 | EPA Due | |
| | PCW | 6-May-2022 | | | | |

| | |
|--|--------------------------------------|
| RESPONDENT/FACILITY INFORMATION | |
| Respondent | Chevron Phillips Chemical Company LP |
| Reg. Ent. Ref. No. | RN102200482 |
| Facility/Site Region | 12-Houston |
| Major/Minor Source | Major |

| | | | |
|--|-----------------|------------------------------|--------------------|
| CASE INFORMATION | | | |
| Enf./Case ID No. | 60556 | No. of Violations | 2 |
| Docket No. | 2021-0411-AIR-E | Order Type | 1660 |
| Media Program(s) | Air | Government/Non-Profit | No |
| Multi-Media | | Enf. Coordinator | Johnnie Wu |
| | | EC's Team | Enforcement Team 5 |
| Admin. Penalty \$ Limit Minimum | \$0 | Maximum | \$25,000 |

Penalty Calculation Section

| | | |
|---|-------------------|-----------------|
| TOTAL BASE PENALTY (Sum of violation base penalties) | Subtotal 1 | \$15,000 |
|---|-------------------|-----------------|

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

| | | | |
|---------------------------|------------------------|--------------------------------|------------|
| Compliance History | 0.0% Adjustment | Subtotals 2, 3, & 7 | \$0 |
|---------------------------|------------------------|--------------------------------|------------|

Notes: Since the reduction for five notices of intent to conduct an audit and one disclosure of violations is below zero, the Adjustment Percentage (Subtotal 2) defaults to zero.

| | | | | |
|--------------------|----|-------------------------|-------------------|------------|
| Culpability | No | 0.0% Enhancement | Subtotal 4 | \$0 |
|--------------------|----|-------------------------|-------------------|------------|

Notes: The Respondent does not meet the culpability criteria.

| | | |
|--|-------------------|------------|
| Good Faith Effort to Comply Total Adjustments | Subtotal 5 | \$0 |
|--|-------------------|------------|

| | | | |
|-------------------------|--------------------------|-------------------|------------|
| Economic Benefit | 0.0% Enhancement* | Subtotal 6 | \$0 |
|-------------------------|--------------------------|-------------------|------------|

| | | |
|------------------------------|-------|-----------------------------------|
| Total EB Amounts | \$170 | *Capped at the Total EB \$ Amount |
| Estimated Cost of Compliance | \$900 | |

| | | |
|-----------------------------|-----------------------|-----------------|
| SUM OF SUBTOTALS 1-7 | Final Subtotal | \$15,000 |
|-----------------------------|-----------------------|-----------------|

| | | |
|---|------------------------|------------|
| OTHER FACTORS AS JUSTICE MAY REQUIRE | 0.0% Adjustment | \$0 |
|---|------------------------|------------|

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

| | |
|-----------------------------|-----------------|
| Final Penalty Amount | \$15,000 |
|-----------------------------|-----------------|

| | | |
|-----------------------------------|-------------------------------|-----------------|
| STATUTORY LIMIT ADJUSTMENT | Final Assessed Penalty | \$15,000 |
|-----------------------------------|-------------------------------|-----------------|

| | | | |
|-----------------|------------------------|-------------------|-----------------|
| DEFERRAL | 20.0% Reduction | Adjustment | -\$3,000 |
|-----------------|------------------------|-------------------|-----------------|

Reduces the Final Assessed Penalty by the indicated percentage.

Notes

Deferral offered for expedited settlement.

| | |
|------------------------|-----------------|
| PAYABLE PENALTY | \$12,000 |
|------------------------|-----------------|

Screening Date 24-Mar-2021

Docket No. 2021-0411-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 4 (April 2014)

Case ID No. 60556

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102200482

Media Air

Enf. Coordinator Johnnie Wu

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

| Component | Number of... | Number | Adjust. |
|-------------------------------|--|--------|---------|
| NOVs | Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>) | 0 | 0% |
| | Other written NOVs | 0 | 0% |
| Orders | Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>) | 0 | 0% |
| | Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission | 0 | 0% |
| Judgments and Consent Decrees | Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>) | 0 | 0% |
| | Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government | 0 | 0% |
| Convictions | Any criminal convictions of this state or the federal government (<i>number of counts</i>) | 0 | 0% |
| Emissions | Chronic excessive emissions events (<i>number of events</i>) | 0 | 0% |
| Audits | Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>) | 5 | -5% |
| | Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>) | 1 | -2% |
| Other | Environmental management systems in place for one year or more | No | 0% |
| | Voluntary on-site compliance assessments conducted by the executive director under a special assistance program | No | 0% |
| | Participation in a voluntary pollution reduction program | No | 0% |
| | Early compliance with, or offer of a product that meets future state or federal government environmental requirements | No | 0% |

Adjustment Percentage (Subtotal 2) 0%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Since the reduction for five notices of intent to conduct an audit and one disclosure of violations is below zero, the Adjustment Percentage (Subtotal 2) defaults to zero.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 0%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 0%

Screening Date 24-Mar-2021

Docket No. 2021-0411-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 4 (April 2014)

Case ID No. 60556

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102200482

Media Air

Enf. Coordinator Johnnie Wu

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c), 116.116(a)(1), and 122.143(4), New Source Review ("NSR") Permit No. 19718, Special Conditions ("SC") No. 1, Federal Operating Permit ("FOP") No. O2710, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 11, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to comply with the annual hours of operation. Specifically, the Respondent exceeded the annual hours of operation of 1,092 hours per year by 3,050 hours for Heater F-3, Emissions Point Number ("EPN") 62-36-3 during calendar year 2018, resulting in 1,843.41 pounds ("lbs") of unauthorized carbon monoxide ("CO") emissions, 1,228.97 lbs of unauthorized nitrogen oxides ("NOx") emissions, 111.72 lbs of unauthorized particulate matter ("PM") emissions, 55.86 lbs of unauthorized sulfur dioxide ("SO2") emissions, and 55.86 lbs of unauthorized volatile organic compounds ("VOC") emissions.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), and Percent (15.0%). Includes 'OR' label.

>> Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, and Percent (0.0%).

Matrix Notes Human health or the environment has been exposed to insignificant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 3 Number of violation days 244

Table with columns: Frequency (daily, weekly, monthly, quarterly, semiannual, annual, single event) and a selection column (quarterly is marked 'x').

Violation Base Penalty \$11,250

Three quarterly events are recommended for the period of non-compliance that occurred from May 1, 2018 through December 31, 2018.

Good Faith Efforts to Comply

0.0% Reduction \$0

Table with columns: Effort (Extraordinary, Ordinary, N/A) and a selection column (N/A is marked 'x').

Notes The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$11,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$170

Violation Final Penalty Total \$11,250

This violation Final Assessed Penalty (adjusted for limits) \$11,250

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
Case ID No. 60556
Reg. Ent. Reference No. RN102200482
Media Air
Violation No. 1

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Costs Saved | EB Amount |
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|

Delayed Costs

| | | | | | | | |
|--------------------------|-------|------------|-------------|------|-------|-----|-------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/Construction | | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | \$900 | 1-May-2018 | 11-Feb-2022 | 3.79 | \$170 | n/a | \$170 |
| Other (as needed) | | | | 0.00 | \$0 | n/a | \$0 |

Notes for DELAYED costs

Actual cost to obtain the amendment for NSR Permit No. 19718 that included the removal of the hourly limits for Heaters F-3 and F-8. Date Required is the initial date of non-compliance and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE avoided costs before entering item (except for one-time avoided costs)

| | | | | | | | |
|-------------------------------|--|--|--|------|-----|-----|-----|
| Disposal | | | | 0.00 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.00 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.00 | \$0 | \$0 | \$0 |
| Supplies/Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Financial Assurance | | | | 0.00 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

Approx. Cost of Compliance

\$900

TOTAL

\$170

Screening Date 24-Mar-2021

Docket No. 2021-0411-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 4 (April 2014)

Case ID No. 60556

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102200482

Media Air

Enf. Coordinator Johnnie Wu

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c), 116.116(a)(1), and 122.143(4), NSR Permit No. 19718, SC No. 1, FOP No. O2710, GTC and STC No. 11, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to comply with the annual hours of operation. Specifically, the Respondent exceeded the annual hours of operation of 1,500 hours per year by 234 hours for Heater F-8, EPN 62-36-8 during calendar year 2018, resulting in 180.96 lbs of unauthorized CO emissions, 237.12 lbs of unauthorized NOx emissions, 37.44 lbs of unauthorized PM emissions, 3.12 lbs of unauthorized SO2 emissions, and 24.96 lbs of unauthorized VOC emissions.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|-----------|---------|--------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | | Actual | | | |
| Potential | | | | | |

>> Programmatic Matrix

| Matrix Notes | Falsification | Major | Moderate | Minor | Percent |
|--------------|---------------|-------|----------|-------|---------|
| | | | | | |

Human health or the environment has been exposed to insignificant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 60 Number of violation days

| | |
|--------------|---|
| daily | |
| weekly | |
| monthly | |
| quarterly | x |
| semiannual | |
| annual | |
| single event | |

Violation Base Penalty \$3,750

One quarterly event is recommended for the period of non-compliance that occurred from November 1, 2018 through December 31, 2018.

Good Faith Efforts to Comply

0.0%

Reduction \$0

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

| | | |
|---------------|---|--|
| Extraordinary | | |
| Ordinary | | |
| N/A | x | |

Notes The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$3,750

This violation Final Assessed Penalty (adjusted for limits) \$3,750

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
Case ID No. 60556
Reg. Ent. Reference No. RN102200482
Media Air
Violation No. 2

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Costs Saved | EB Amount |
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|

Delayed Costs

| | | | | | | | |
|--------------------------|--|--|--|------|-----|-----|-----|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/Construction | | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | n/a | \$0 |

Notes for DELAYED costs

See the Economic Benefit in Violation No. 1.

Avoided Costs

ANNUALIZE avoided costs before entering item (except for one-time avoided costs)

| | | | | | | | |
|-------------------------------|--|--|--|------|-----|-----|-----|
| Disposal | | | | 0.00 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.00 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.00 | \$0 | \$0 | \$0 |
| Supplies/Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Financial Assurance | | | | 0.00 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0



Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

| | | | | | | |
|--------------|-----------------|-------------|------------------|-------------|----------------|--|
| DATES | Assigned | 10-May-2021 | Screening | 17-May-2021 | EPA Due | |
| | PCW | 19-Sep-2021 | | | | |

| | |
|--|--------------------------------------|
| RESPONDENT/FACILITY INFORMATION | |
| Respondent | Chevron Phillips Chemical Company LP |
| Reg. Ent. Ref. No. | RN102200482 |
| Facility/Site Region | 12-Houston |
| Major/Minor Source | Major |

| | | | |
|--|-----------------|------------------------------|--------------------|
| CASE INFORMATION | | | |
| Enf./Case ID No. | 60556 | No. of Violations | 1 |
| Docket No. | 2021-0411-AIR-E | Order Type | 1660 |
| Media Program(s) | Air | Government/Non-Profit | No |
| Multi-Media | | Enf. Coordinator | Johnnie Wu |
| | | EC's Team | Enforcement Team 5 |
| Admin. Penalty \$ Limit Minimum | \$0 | Maximum | \$25,000 |

Penalty Calculation Section

| | | |
|---|-------------------|----------------|
| TOTAL BASE PENALTY (Sum of violation base penalties) | Subtotal 1 | \$5,000 |
|---|-------------------|----------------|

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

| | | | | |
|---------------------------|-------------|------------|--------------------------------|------------|
| Compliance History | 0.0% | Adjustment | Subtotals 2, 3, & 7 | \$0 |
|---------------------------|-------------|------------|--------------------------------|------------|

Notes: Since the reduction for five notices of intent to conduct an audit and one disclosure of violations is below zero, the Adjustment Percentage (Subtotal 2) defaults to zero.

| | | | | | |
|--------------------|----|-------------|-------------|-------------------|------------|
| Culpability | No | 0.0% | Enhancement | Subtotal 4 | \$0 |
|--------------------|----|-------------|-------------|-------------------|------------|

Notes: The Respondent does not meet the culpability criteria.

| | | |
|--|-------------------|---------------|
| Good Faith Effort to Comply Total Adjustments | Subtotal 5 | -\$500 |
|--|-------------------|---------------|

| | | | | |
|-------------------------|-------------|--------------|-------------------|------------|
| Economic Benefit | 0.0% | Enhancement* | Subtotal 6 | \$0 |
|-------------------------|-------------|--------------|-------------------|------------|

Total EB Amounts: \$11
 Estimated Cost of Compliance: \$250
 *Capped at the Total EB \$ Amount

| | | |
|-----------------------------|-----------------------|----------------|
| SUM OF SUBTOTALS 1-7 | Final Subtotal | \$4,500 |
|-----------------------------|-----------------------|----------------|

| | | | |
|---|-------------|------------|------------|
| OTHER FACTORS AS JUSTICE MAY REQUIRE | 0.0% | Adjustment | \$0 |
|---|-------------|------------|------------|

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

| | |
|-----------------------------|----------------|
| Final Penalty Amount | \$4,500 |
|-----------------------------|----------------|

| | | |
|-----------------------------------|-------------------------------|----------------|
| STATUTORY LIMIT ADJUSTMENT | Final Assessed Penalty | \$4,500 |
|-----------------------------------|-------------------------------|----------------|

| | | | | |
|-----------------|--------------|-----------|-------------------|---------------|
| DEFERRAL | 20.0% | Reduction | Adjustment | -\$900 |
|-----------------|--------------|-----------|-------------------|---------------|

Reduces the Final Assessed Penalty by the indicated percentage.

Notes:

Deferral offered for expedited settlement.

| | |
|------------------------|----------------|
| PAYABLE PENALTY | \$3,600 |
|------------------------|----------------|

Screening Date 17-May-2021

Docket No. 2021-0411-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 5 (January 28, 2021)

Case ID No. 60556

PCW Revision February 11, 2021

Reg. Ent. Reference No. RN102200482

Media Air

Enf. Coordinator Johnnie Wu

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

| Component | Number of... | Number | Adjust. |
|-------------------------------|--|--------|---------|
| NOVs | Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>) | 0 | 0% |
| | Other written NOVs | 0 | 0% |
| Orders | Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>) | 0 | 0% |
| | Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission | 0 | 0% |
| Judgments and Consent Decrees | Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>) | 0 | 0% |
| | Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government | 0 | 0% |
| Convictions | Any criminal convictions of this state or the federal government (<i>number of counts</i>) | 0 | 0% |
| Emissions | Chronic excessive emissions events (<i>number of events</i>) | 0 | 0% |
| Audits | Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>) | 5 | -5% |
| | Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>) | 1 | -2% |
| Other | Environmental management systems in place for one year or more | No | 0% |
| | Voluntary on-site compliance assessments conducted by the executive director under a special assistance program | No | 0% |
| | Participation in a voluntary pollution reduction program | No | 0% |
| | Early compliance with, or offer of a product that meets future state or federal government environmental requirements | No | 0% |

Adjustment Percentage (Subtotal 2) 0%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Since the reduction for five notices of intent to conduct an audit and one disclosure of violations is below zero, the Adjustment Percentage (Subtotal 2) defaults to zero.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 0%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 0%

Screening Date 17-May-2021 **Docket No.** 2021-0411-AIR-E **PCW**
Respondent Chevron Phillips Chemical Company LP *Policy Revision 5 (January 28, 2021)*
Case ID No. 60556 *PCW Revision February 11, 2021*
Reg. Ent. Reference No. RN102200482
Media Air
Enf. Coordinator Johnnie Wu

Violation Number 1
Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.146(2), Federal Operating Permit No. O2710, General Terms and Conditions and Special Terms and Conditions No. 15, and Tex. Health & Safety Code § 382.085(b)
Violation Description Failed to submit a permit compliance certification ("PCC") within 30 days of any certification period. Specifically, the PCC for the July 1, 2019 through June 30, 2020 certification period was due by July 30, 2020, but was not submitted until June 9, 2021.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|-----------|---------|--------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | | Actual | | | |
| Potential | | | | | |

>> Programmatic Matrix

| Matrix Notes | Falsification | Major | Moderate | Minor | Percent |
|--------------|---------------|-------|----------|-------|---------|
| | | | x | | |

100% of the rule requirements were not met.

Adjustment \$20,000

\$5,000

Violation Events

Number of Violation Events 1 314 Number of violation days

| | |
|--------------|---|
| daily | |
| weekly | |
| monthly | |
| quarterly | |
| semiannual | |
| annual | |
| single event | x |

Violation Base Penalty \$5,000

One single event is recommended.

Good Faith Efforts to Comply 10.0% Reduction \$500

| | Before NOE/NOV | NOE/NOV to EDPRP/Settlement Offer |
|---------------|----------------|-----------------------------------|
| Extraordinary | | |
| Ordinary | | x |
| N/A | | |

Notes: The Respondent achieved compliance on June 9, 2021, after the Notice of Enforcement dated May 7, 2021.

Violation Subtotal \$4,500

Economic Benefit (EB) for this violation **Statutory Limit Test**
 Estimated EB Amount \$11 **Violation Final Penalty Total** \$4,500
This violation Final Assessed Penalty (adjusted for limits) \$4,500

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
Case ID No. 60556
Reg. Ent. Reference No. RN102200482
Media Air
Violation No. 1

| | |
|-------------------------|------------------------------|
| Percent Interest | Years of Depreciation |
| 5.0 | 15 |

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Costs Saved | EB Amount |
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|

Delayed Costs

| | | | | | | | |
|--------------------------|-------|-------------|------------|------|------|-----|------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/Construction | | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | \$250 | 30-Jul-2020 | 9-Jun-2021 | 0.86 | \$11 | n/a | \$11 |

Notes for DELAYED costs

Estimated cost to submit the PCC for the July 1, 2019 through June 30, 2020 certification period. The Date Required is the date the PCC was due and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE avoided costs before entering item (except for one-time avoided costs)

| | | | | | | | |
|-------------------------------|--|--|--|------|-----|-----|-----|
| Disposal | | | | 0.00 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.00 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.00 | \$0 | \$0 | \$0 |
| Supplies/Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Financial Assurance | | | | 0.00 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

TOTAL

\$11

The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



Compliance History Report

Compliance History Report for CN600303614, RN102200482, Rating Year 2021 which includes Compliance History (CH) components from September 1, 2016, through August 31, 2021.

Customer, Respondent, or Owner/Operator: CN600303614, Chevron Phillips Chemical Company LP **Classification:** SATISFACTORY **Rating:** 8.33
Regulated Entity: RN102200482, CHEVRON PHILLIPS CLEMENS TERMINAL **Classification:** HIGH **Rating:** 0.00
Complexity Points: 9 **Repeat Violator:** NO
CH Group: 13 - Pipeline Transportation of Natural Gas, Refined Petroleum, and All Other Products
Location: 2611 COUNTY ROAD 314, BRAZORIA, BRAZORIA COUNTY, TEXAS
TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER BL0044C
AIR NEW SOURCE PERMITS REGISTRATION 10596
AIR NEW SOURCE PERMITS ACCOUNT NUMBER BL0044C
AIR NEW SOURCE PERMITS REGISTRATION 164584
AIR NEW SOURCE PERMITS REGISTRATION 148808
AIR NEW SOURCE PERMITS REGISTRATION 160796
STORMWATER PERMIT TXR15762Y
POLLUTION PREVENTION PLANNING ID NUMBER P00949

AIR OPERATING PERMITS PERMIT 2710
AIR NEW SOURCE PERMITS PERMIT 19718
AIR NEW SOURCE PERMITS AFS NUM 4803900025
AIR NEW SOURCE PERMITS REGISTRATION 146185
AIR NEW SOURCE PERMITS REGISTRATION 151138
AIR NEW SOURCE PERMITS REGISTRATION 156218
AIR EMISSIONS INVENTORY ACCOUNT NUMBER BL0044C

Compliance History Period: September 01, 2016 to August 31, 2021 **Rating Year:** 2021 **Rating Date:** 09/01/2021

Date Compliance History Report Prepared: September 19, 2021

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: September 19, 2016 to September 19, 2021

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Johnnie Wu

Phone: (512) 239-2524

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

N/A

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1 June 28, 2017 (1378219)
Item 2 July 07, 2020 (1632611)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

F. Environmental audits:

Notice of Intent Date: 09/19/2018 (1523560)

Disclosure Date: 11/12/2018

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter H 115.725(d)(2)(A)(ii)
30 TAC Chapter 115, SubChapter H 115.764(a)(6)

Description: Failure to use the correct calibration gas concentration for both HRVOC and non-HRVOC components performance specifications (Flare 4 EPN 62-61-4 and Flare 5 EPN 62-61-5).

Notice of Intent Date: 02/22/2019 (1551963)

No DOV Associated

Notice of Intent Date: 10/07/2019 (1605049)

No DOV Associated

Notice of Intent Date: 02/04/2021 (1703999)

No DOV Associated

Notice of Intent Date: 02/24/2021 (1706632)

No DOV Associated

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
CHEVRON PHILLIPS CHEMICAL
COMPANY LP
RN102200482

§
§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2021-0411-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Chevron Phillips Chemical Company LP (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a hydrocarbon storage site located at 2611 County Road 314 in Brazoria, Brazoria County, Texas (the "Site"). The Site consists or consisted of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, and 7.073, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of \$19,500 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$7,800 of the penalty and \$3,900 of the penalty is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order and shall be waived only upon full compliance with all the terms and conditions of this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms and conditions contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.

Pursuant to TEX. WATER CODE § 7.067, \$7,800 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment A", incorporated herein by reference). The Respondent's obligation to pay the conditionally offset portion of the penalty shall be discharged upon full compliance with all the terms

and conditions of this Order, which includes the timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.

5. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a). Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
6. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Order.
7. This Order represents the complete and fully-integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The Executive Director recognizes that the Respondent implemented the following corrective measures at the Site:
 - a. By submitting the permit compliance certification ("PCC") for the July 1, 2019 through June 30, 2020 certification period on June 9, 2021; and
 - b. By obtaining the amendment for New Source Review ("NSR") Permit No. 19718 that included the removal of the hourly limits for Heaters F-3 and F-8 on February 11, 2022.

II. ALLEGATIONS

1. During a record review conducted from January 25, 2021 through March 12, 2021, an investigator documented that the Respondent:
 - a. Failed to comply with the annual hours of operation, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 116.116(a)(1), and 122.143(4), NSR Permit No. 19718, Special Conditions ("SC") No. 1, Federal Operating Permit No. O2710, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 11, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent exceeded the annual hours of operation of 1,092 hours per year by 3,050 hours for Heater F-3, Emissions Point Number ("EPN") 62-36-3 during calendar year 2018, resulting in 1,843.41 pounds ("lbs") of unauthorized carbon monoxide ("CO") emissions, 1,228.97 lbs of unauthorized nitrogen oxides ("NOx") emissions, 111.72 lbs of unauthorized particulate matter ("PM") emissions, 55.86 lbs of unauthorized sulfur dioxide ("SO2") emissions, and 55.86 lbs of unauthorized volatile organic compounds ("VOC") emissions.
 - b. Failed to comply with the annual hours of operation, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 116.116(a)(1), 122.143(4), NSR Permit No. 19718, SC

No. 1, FOP No. O2710, GTC and STC No. 11, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent exceeded the annual hours of operation of 1,500 hours per year by 234 hours for Heater F-8, EPN 62-36-8 during calendar year 2018, resulting in 180.96 lbs of unauthorized CO emissions, 237.12 lbs of unauthorized NOx emissions, 37.44 lbs of unauthorized PM emissions, 3.12 lbs of unauthorized SO2 emissions, and 24.96 lbs of unauthorized VOC emissions.

2. During a record review conducted from March 18, 2021 through April 8, 2021, an investigator documented that the Respondent failed to submit a PCC within 30 days of any certification period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), FOP No. O2710, GTC and STC No. 15, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the PCC for the July 1, 2019 through June 30, 2020 certification period was due by July 30, 2020, but was not submitted until June 9, 2021.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed a penalty as set forth in Section I, Paragraph No. 4. The payment of this penalty and the Respondent's compliance with all of the requirements set forth in this Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Chevron Phillips Chemical Company LP, Docket No. 2021-0411-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete an SEP as set forth in Section I, Paragraph No. 4. The amount of \$7,800 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.
3. All relief not expressly granted in this Order is denied.
4. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Site operations referenced in this Order

5. If the Respondent fails to comply with any of the Ordering Provisions in this Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. This Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms: electronic transmission, owner, person, writing, and written, shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
9. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

For the Executive Director

Date

9/28/2022

Date

I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this Order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.



Signature

Dirk Perrin

Name (Printed or typed)

Authorized Representative of
Chevron Phillips Chemical Company LP

23 May 2022

Date

Plant Mgr

Title

If mailing address has changed, please check this box and provide the new address below:

Instructions: Send the original, signed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Ordering Provision 1 of this Order.

Attachment A
Docket Number: 2021-0411-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

| | |
|-----------------------------------|--|
| Respondent: | Chevron Phillips Chemical Company LP |
| Payable Penalty Amount: | \$15,600 |
| SEP Offset Amount: | \$7,800 |
| Type of SEP: | Contribution to a Third-Party Pre-Approved SEP |
| Third-Party Administrator: | Texas City Independent School District |
| Project Name: | <i>TCISD Alternative Fuel School Bus Program</i> |
| Location of SEP: | Texas Air Quality Control Region 216: Houston-Galveston |

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Texas City Independent School District** for the *TCISD Alternative Fuel School Bus Program* project. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to purchase lower-emission propane fueled school buses that are model year 2010 or newer (“Replacement Bus(es)”) to replace buses currently in the fleet that are model year 2006 or older (“Older Bus(es)”). The Older Buses will then be decommissioned, thus permanently removing them from the roads. The SEP Offset Amount shall only be used for the purchase of a base model propane fueled Replacement Bus. The Third-Party Administrator shall own and operate each Replacement Bus for at least five years following the date of purchase.

The Third-Party Administrator shall give preference to replacing the oldest, most polluting buses within its fleet. Only Older Buses that are currently in regular use, driven on a regular route on a weekly basis for at least the past two years are eligible for replacement.

The Third-Party Administrator shall ensure that each Replacement Bus purchased has an engine that meets the Environmental Protection Agency’s 2010 emissions standards. Additionally, all Older Buses that are replaced shall be fully decommissioned as required in the SEP Vehicle Disposition Form. All funds received for the scrap value of the Older Bus shall be deposited into the SEP Account and become part of the SEP. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely to settle this enforcement action. The Respondent shall not profit from this SEP.

b. Environmental Benefit

The Project will directly benefit air quality in Third-Party Administrator's region by reducing harmful exhaust emissions from older school buses by replacing them with lower-emission propane buses. Older school bus engines emit greater amounts of harmful pollutants such as nitrous oxides, particulate matter, volatile organic compounds, and carbon monoxide than newer, lower-emission buses. These pollutants contribute to the formation of ground level ozone which damages vegetation and ecosystems and may cause or exacerbate a number of respiratory diseases, including asthma, especially in children.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Texas City Independent School District SEP** and shall mail the contribution with a copy of the Agreed Order to:

Texas City Independent School District SEP
Attention: John Johnson, Consultant
2901 Turtle Creek Drive, Suite 445
Port Arthur, Texas 77642

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP, shall make the check payable to "Texas Commission on Environmental Quality," and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP and/or project, made by or on behalf of the Respondent must include a clear statement that **the project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. Recognition

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.